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Good afternoon and thank you for the opportunity to address you here today.

This conference was convened to develop recommendations for the President and Congress in the field of aging. However, as the first wave of baby boomers prepares for retirement – and as people all around the world are living longer thanks to improved health care and nutrition – the private sector must also reassess how it serves this important consumer segment.

Consider, if you will:

- Today, there are more than half a billion people in the world who are 60 or older. This population has tripled since 1950.
- By 2050, there will be about 2 billion people worldwide over 60 – that's 1 in 5 people, compared to today's 1 in 10. For the first time in history, the percentage of people aged 60-plus will be about the same as the percentage of people younger than 15.
- In the United States, people over the age of 50 spend more than $1.7 trillion on goods and services each year and account for almost half of total consumer spending. And this age group has accumulated more wealth and has more spending power than any other age group in history.

Clearly, this seismic shift will have significant implications for both the private and public sectors. How will they respond?

At Deloitte, we conducted a major study of these trends to help companies understand how they can better serve aging consumers. The report – "Wealth with Wisdom, Serving the Needs of Aging Consumers" – is available at this conference.

What did we learn? In short, that just about every industry – from consumer products to healthcare to real estate to travel & leisure… financial services, pharmaceuticals, technology and transportation… will be transformed. Aging consumers present tremendous opportunities – and tremendous challenges – for businesses.

But the aging consumer is not a monolithic concept. Like many other markets, aging consumers can vary by region, income and lifestyle, and there are obvious differences between an age-55 consumer and one who is 85. And, the past is not always a prelude to the future; my behavior as a "senior" may depart dramatically from seniors today.

As a result of our research, Deloitte developed a framework to help companies understand the changes confronting aging consumers and target their products and services more effectively. The four key factors discussed in the report are:

- First, biological changes: as we age, our mobility, vision and hearing are often diminished. Consumers may be drawn to "easy-open" packages and larger print on labeling. Store layout and design is also critical: products on the top shelf may be less accessible. And strategically placed lighting, larger signage, and wider aisles will facilitate seniors' shopping.

- Second, social changes: Role shifts and lifestyle changes such as grandparenthood, empty nests, and retirement can dramatically influence consumption preferences. For example, many grandparents are caregivers. And the freedom experienced by empty-nesters' enables them to explore new choices and lifestyles.
- Third, economic changes: Seniors will need to focus on financial planning and management of money and assets, making sure that their resources match their extended life spans. And many are choosing to work well past retirement age, impacting their income and resources.
- And fourth, psychological changes: Memory and information processing change with age, and businesses need to rethink how they communicate new information to these consumers. For example, websites should be streamlined, clean and easy to navigate.

Seniors as consumers will have a large impact. But many departments and individuals within organizations will also be affected by the aging population. I alluded to the Design Department addressing some of the physical limitations of aging consumers. But other areas will be affected as well. Marketing Departments will need to alter campaigns and brand messages to include the 50-plus market. As a recent article on Advertising Age's website referenced, "women between 50 and 70 are the golden bulls-eye of target marketing." Chief Information Officers will need to consider the tendencies of aging consumers, even though they are more tech savvy than their predecessors. And Human Resource Departments must also take note. As boomers retire, there are fewer younger workers to replace them. Many companies will face talent shortages and skills gaps. Some companies are introducing flexible work schedules and encouraging intergenerational collaboration to keep their seasoned workers on the job and preserve their experience and expertise.

Let me give you a couple of examples of how companies are already thinking about this significant demographic shift.

Fidelity Investments, one of the world's largest mutual fund and investment companies, interacts extensively with customers through its website. By observing and talking with older users, Fidelity has uncovered valuable insights. For example, older participants tend to read most of the text on a page. They tend to be more cautious in everything they do on the web, including clicking on links. They prefer larger text, and they have difficulty clicking small text links. These insights are being incorporated into an improved website design.

Whirlpool, a leading home appliance maker, specifically designed its Duet front-loading washer and dryer on a raised pedestal to reduce back strain and fatigue from unnecessary bending, stretching and reaching when loading or removing clothing.

At Ford Motor Company, engineers created something called the Third Age Suit. It looks like a cross between a beekeeper's protective gear and an astronaut suit. Wearing the suit lets engineers simulate the mobility, strength, and vision limitations of someone nearly 30 years older. The suit adds bulk and restricts movement in key areas of the body such as the knees, elbows, stomach, and back. It has gloves that reduce the sense of touch and goggles that simulate cataracts. The suit has been used in the design of many Ford vehicles, allowing Ford to enhance product attributes for aging consumers, including ease of entry and exit from vehicles.

Real estate developers are focusing on communities for the age 55+ set. These include smaller, easier-to-maintain homes, with easy access to shopping and dining, community centers, and recreation facilities. They also offer a maintenance-free lifestyle, with lawn mowing, landscaping, snow removal and gutter cleaning all provided by the community.

And finally, LG Electronics. They market cell phones in South Korea with built in biosensors that can help individuals with medical conditions. The handsets can be specially configured to monitor blood sugar levels in users that have diabetes – a disease that strikes many aging adults. Users prick their fingers to get a blood sample and the phone reads the sample and sends the data to a doctor or relative. These handsets retail for only about $400.

Those are just a few examples of how companies in a variety of industries are addressing this growing need.

Smart companies understand that today's "longevity revolution" cannot be ignored. Just about every industry will need to change and adapt to accommodate this demographic shift. Remember, in the United States, people over 50 spend more than $1.7 trillion on goods and services each year. That's almost half of total consumer spending. And that's just the consumer end of the equation. The talent shortage and skills gaps that employers will face will be daunting. The stakes are enormous.

I encourage you to pick up a copy of Deloitte's report – "Wealth with Wisdom, Serving the Needs of Aging Consumers" – which are on the literature table next to the registration desk, to learn more about this phenomenon.

And I thank you for the opportunity to be with you here today.

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